

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SSO-00 ACDA-12 CIAE-00 INR-10 IO-13
L-03 NSAE-00 EB-08 NRC-05 OES-07 SOE-02 DODE-00
DOE-15 SS-15 SP-02 CEQ-01 PA-01 NSCE-00 INRE-00
/105 W

-----046879 250829Z /13

O 250657Z APR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC IMMEDIATE 1158

C O N F I D E N T I A L NEW DELHI 6439

BOMBAY 1013 FOLLOWS. SENT TO NEW DELHI FOR ACTION ON
24 APR 78. BEING RPT FOR YOUR ACT/INFO.

QUOTE

C O N F I D E N T I A L BOMBAY 1013

E.O. 11652 GDS
TAGS: MNUC, TECH, IN
SUBJ: NUCLEAR AFFAIRS TALK WITH SETHNA

1. FOR THE FIRST TIME SINCE NRC ACTION AGAINST EXPORT
LICENSE XSNM 1060, I MET SETHNA TODAY TO RUN OVER A
NUMBER OF OUTSTANDING ISSUES. HIGHLIGHTS FOLLOW:

2. SETHNA WAS DELIGHTED TO RECEIVE NEWS THAT WE HAVE
INSTRUCTED OUR DELEGATION AT THE IAEA TO EXTEND PERIOD
FOR INDIAN RESEARCH ON SMALL QUANTITY OF TARAPUR SPENT FUEL
(VIENNA'S 02759 AND DEPT TEL 96093). SETHNA SAID THAT THIS
GOOD NEWS COMES AT A PROPITIOUS TIME AS HE NEEDS EVIDENCE
THAT U.S. IS INDEED SEEKING WAYS TO CONTINUE COOPERATION WITH INDIA
IN NUCLEAR FIELD. HE ADDED THAT THE EARLY RESULTS OF INDIAN
RESEARCH ON TARAPUR SPENT FUEL ARE INTERESTING AND THAT HE WOULD
SEND ME THE DATA SOONEST FOR TRANSMITTAL TO WASHINGTON.

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3. HE WAS CONCERNED THAT GE RERACKING FEASIBILITY STUDY TEAM
HAS POSTPONED ITS TRIP TO INDIA. HE FEELS THAT DELAY MAY BE
CRITICAL AND URGED THAT WE DO ANYTHING WE CAN TO
ACCELERATE TEAM'S ARRIVAL (FULLER REPORT SEPTTEL).

4. SETHNA SAID THAT GOI IS UNDERSTANDABLY DISTRESSED OVER THE

NRC'S FAILURE TO APPROVE THE EXPORT LICENSE FOR TARAPUR. HE SAID THAT PERSONALLY HE WAS NOT SURPORED BY NRC ACTION AND IS CONFIDENT THAT PRESIDENT CARTER WILL ISSUE THE LICENSE. HE WAS GLAD TO HAVE MY REASSURANCE THAT THE DEPARTMENT AND OTHER CONCERNED AGENCIES IN WASHINGTON ARE WORKING EXPEDITIOUSLY TO PREPARE THE EXECUTIVE ORDER WHICH WOULD PERMIT ISSUANCE OF THE LICENSE. HE ALSO ASKED FOR A CLARIFICATION ON COMPUTATION OF THE 60 DAYS THAT THIS EXECUTIVE ORDER MUST LIE BEFORE CONGRESS BEFORE LICENSE CAN BE ISSUED. HE NOTED THAT SOME PRESS REPORTS INDICATED 60 WORKING DAYS WHICH DID NOT SEEM TO BE CONSISTENT WITH THE TERMS OF THE LEGISLATION. I SAID THAT I BELIEVE INTENT OF LEGISLATION IS TO HAVE EXECUTIVE ORDER BEFORE CONGRESS FOR 60 CALENDER DAYS WHILE THAT BODY IS IN SESSION. THAT MIGHT EXCLUDE VACATIONS BUT WOULD COUNT SATURDAYS AND SUNDAYS. I PROMISED TO PROVIDE CLARIFICATION ASAP.

5. SETHNA SAID THAT NRC'S ACTION REVEALED JUST HOW DETERMINED SOME U.S. OFFICIALS ARE EITHER TO FIRCE INDIA TO ACCEPT U.S. VIEW ON NONPROLIFERATION OR CUT OFF SUPPLIES FOR TARAPUR. SETHNA SAID THAT WHILE THIS DELINEATION HAD THE UNFORTUNATE EFFECT OF DELAYING FUEL FOR TARAPUR ITS LONG RUN EFFECT MIGHT BE BENEFICIAL BECAUSE IT INDICATES JUST HOW HARD THOSE PEOPLE IN THE U.S. AND IN INDIA WHO ARE GENUINELY SEEKING AN AMICABLE RESOLUTION OF THIS MATTER MUST WORK IF THERE IS TO BE A REASONABLE OUTCOME.

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6. SETHNA SAID THAT THE PRESS AND PARLIAMENTARIANS ARE PRESSING HIM VERY HARD TO COME UP WITH ALTERNATE SOLUTIONS IN THE EVENT THAT THE U.S. FINALLY CUTS OFF SUPPLIES FOR TARAPUR. HE SAID THAT HE IS CONVINCED THAT LOCAL FABRICATION OF A MIXED OXIDE FUEL WOULD NOT BE ECONOMIC AND PERHAPS NOT TECHNICALLY FEASIBLE. HIS PREFERRED SOLUTION IS HOOK UP A STEAM BOILER TO THE TURBINES AT TARAPUR; THE TECHNICAL PROBLEMS ARE SEVERE AS A STEAM BOILER WOULD OPERATE AT A MUCH HIGH PSI. HOWEVER, IT WOULD RAISE THE RATED CAPACITY BY AS MUCH AS A COUPLE HUNDREDS MEGAWATTS.

7. HE SAID THAT HE WILL ALSO HAVE TO LOOK MORE CLOSELY INTO ALTERNATIVE SOURDES OF ENRICHED URANIUM. HE SAID HE DOES NOT WANT TO DO THIS IN A WAY THAT WOULD OPEN INDIA TO TECHNICAL CHARGES OF VIOLATION OF THE COOPERATION AGREEMENT WHICH BINDS INDIA TO OBTAIN ALL ITS FUEL FROM THE U.S. PARTLY BECAUSE OF THIS CON- STRAINT, GOI LAWYERS ARE NOW INTENT UPON ESTABLISHING A CASE THAT THE U.S. HAS ALREADY BROKEN THE AGREEMENT. THEY HAVE SETTLED UPON OUR FAILURE TO RESPOND TO THEIR REQUEST FOR A "JOINT DETERMINATION" ON REPROCESSING (BOMBAY 929, REPEATED DEPARTMENT AS NEW DELHI 5816). SECONDLY, THEY BELIEVE THAT THE NRC'S REFUSAL OF 1060 ALSO VIOLATES THE "AS NEEDED" CLAUSE. SETHNA SAID IT IS CLEAR THAT IF THE 7.6 TONS ARRIVES IN SEPTEMBER,

HE WILL HAVE TO PUT THE NFC AT HYDERABAD ON A SEVEN DAY A WEEK SCHEDULED IF THEY ARE TO HAVE A SUFFICIENT MARGIN OF COMPLETED ASSEMBLIES FOR THE NEXT REFUELING IN JANUARY/FEBRUARY, 1979.

8. IN THIS REGARD SETHNA SAID THAT HE HAS AN INVITATION FROM THE USSR (SIGNED BY AN OFICIAL NAMED PETROSIAN) TO VISIT THAT COUNTRY TO DISCUSS ISSUES OF MUTUAL INTEREST IN THE NUCLEAR FIELD. HE SAID THE INVITATION WAS UNSOLICITED, AND THOUGHT IT WAS VAGUELY WORDED BECAUSE THE USSR IS AWARE OF INDIQ'S OBLIGATION NOT TO SEEK ALTERNATIVE SOURCES OF SUPPLY WHILE THE TARAPUR AGREEMENT WITH THE U.S. REMAINS OPERATIONAL.

9. SETHNA SAID THAT THE PRIME MINISTER HAS ASKED HIM TO COME TO DELHI TOMORROW FOR DISCUSSIONS OF THE CONSEQUENCES OF THE NRC
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ACTION. HE EXPECTS TO SEE MORARJI VERY EARLY IN THE MORNING OF APRIL 26, FOR A LONG DISCUSSION OF THE OUTLOOK, INCLUDING TACTICS FOR PURSUING THIS MATTER WITH THE U.S., EXAMINATION OF ALTERNATIVES AND ELECTRICITY PRODUCTION SCHEDULES FOR TARAPUR, BASED ON THE ASSUMPTION--WHICH HE CONSIDERS THE ONLY REASONABLE ONE--THAT THE 7.6 TONES WILL ARRIVE TOWARD THE END OF SUMMER.

COURTNEY

UNQUOTE
GOHEEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DIPLOMATIC DISCUSSIONS, NUCLEAR FUELS, EXPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE06439
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780176-0011
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780420/aaaaaqhu.tel
Line Count: 147
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d30549a8-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2859472
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR AFFAIRS TALK WITH SETHNA
TAGS: MNUC, TECH, IN, IAEA, NRC, (SETHNA, HOMI N)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d30549a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014